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Attorneys for Plaintiffs

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEVADA**

LEE OLSON, On Behalf of Himself and All Others
Similarly Situated,

Plaintiff,

v.

ALAN BELL, DAVID J. HENNIGAR, DEREK
H.L. BUNTAIN, MALEN S. NG, MELVIN A.
RHINELANDER, CHARLES H. ROADMAN, II,
MICHAEL J. SPECTOR, ASSISTED LIVING
CONCEPTS, INC., TPG CAPITAL, L.P., AID
MERGER SUB, LLC, and AID HOLDINGS,
LLC,

Defendants.

Case No. 2:13-cv-00571-JAD-NJK

STATUS REPORT

Pursuant to the Court's minute order dated September 6, 2013, the parties submit the following Status Report.

On April 3, 2013, Plaintiff Lee Olson ("Plaintiff Olson") filed a complaint in the United States District Court for the District of Nevada, captioned *Olson v. Alan Bell, et al.*, Case No. 2:13-cv-00571-JCM-NJK (the "Federal Action"), asserting claims against Assisted Living Concepts, Inc. (the "Company") and the Company's directors, alleging that the directors and the

Company failed to disclose all material information about the proposed acquisition of the Company by TPG Capital, L.P. and its affiliates (“TPG”) to Plaintiff Olson in violation of Sections 14(a) and 20(a) of the Securities Exchange Act of 1934 (“Exchange Act”). On August 9, 2013, the Honorable Chief Judge Robert C. Jones reassigned the Federal Action to Judge Jennifer A. Dorsey for all further proceedings and directed that all further documents bear the case number 2:13-cv-00571-JAD-NJK.

As previously disclosed, on April 30, 2013, after arm’s-length negotiations, counsel to the parties reached an agreement-in-principle concerning the proposed settlement of the Federal Action as well as parallel state litigation styled *In re Assisted Living Concepts, Inc. Shareholder Litigation*, Case No. A-12-6754054-C (consolidated with Case Nos. A-13-677683-C, A-13-677797-C, A-13-677838-C, and A-13-677902-C) (the “State Action”), and executed a memorandum of understanding (the “MOU”).

On May 16, 2013, the Company’s shareholders voted to approve the acquisition of the Company by TPG. Former Company shareholders received \$12.00 in cash for each share of Class A share and \$12.90 per Class B share. The merger was consummated on July 11, 2013.

Presently, pursuant to the terms of the MOU, the parties are negotiating a Stipulation of Settlement that will be presented in the State Action for Court approval of the Settlement. The parties expect that the Stipulation of Settlement will be presented to the court in the State Action within the next several weeks for preliminary approval. If the Settlement is approved in the State Action, Plaintiff will dismiss this Action with prejudice. Notwithstanding, Plaintiff in this Action reserves the right to make an application for a fee award in connection with the Settlement in the event the parties are unable to reach agreement on that issue.

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DATED: September 20, 2013

Respectfully submitted,

MUCKLEROY JOHNSON

By: /s/ Martin A. Muckleroy

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